

Registre de Commerce et des Sociétés

Numéro RCS : B101255

Référence de dépôt : L170055939

Déposé et enregistré le 07/04/2017

KFPGBYBX20170407T10450201_001

RCSL Nr. : B101255

Matricule : 2004 2411 478

eCDF entry date : 07/04/2017

BALANCE SHEET

Financial year from ⁰¹ 01/01/2015 to ⁰² 31/12/2015 (in ⁰³ USD)

Zimmer Luxembourg II S.à r.l.

6, rue Eugène Ruppert
L-2453 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	0,00	0,00
I. Subscribed capital not called	1103	0,00	0,00
II. Subscribed capital called but unpaid	1105	0,00	0,00
B. Formation expenses	1107	0,00	0,00
C. Fixed assets	1109	7.894.888.381,35	1.283.800.601,85
I. Intangible fixed assets	1111	0,00	0,00
1. Research and development costs	1113	0,00	0,00
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	0,00	0,00
a) acquired for valuable consideration and need not be shown under C.I.3	1117	0,00	0,00
b) created by the undertaking itself	1119	0,00	0,00
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	0,00	0,00
4. Payments on account and intangible fixed assets under development	1123	0,00	0,00
II. Tangible fixed assets	1125	0,00	0,00
1. Land and buildings	1127	0,00	0,00
2. Plant and machinery	1129	0,00	0,00

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____ 0,00	132 _____ 0,00
4. Payments on account and tangible fixed assets under development	1133 _____	133 _____ 0,00	134 _____ 0,00
III. Financial fixed assets	1135 _____ (3)	135 _____ 7.894.888.381,35	136 _____ 1.283.800.601,85
1. Shares in affiliated undertakings	1137 _____	137 _____ 7.894.888.381,35	138 _____ 1.283.800.601,85
2. Amounts owed by affiliated undertakings	1139 _____	139 _____ 0,00	140 _____ 0,00
3. Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141 _____	141 _____ 0,00	142 _____ 0,00
4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____ 0,00	144 _____ 0,00
5. Securities and other financial instruments held as fixed assets	1145 _____	145 _____ 0,00	146 _____ 0,00
6. Loans and claims held as fixed assets	1147 _____	147 _____ 0,00	148 _____ 0,00
7. Own shares or own corporate units	1149 _____	149 _____ 0,00	150 _____ 0,00
D. Current assets	1151 _____	151 _____ 484.136.179,44	152 _____ 454.693.631,02
I. Inventories	1153 _____	153 _____ 0,00	154 _____ 0,00
1. Raw materials and consumables	1155 _____	155 _____ 0,00	156 _____ 0,00
2. Work and contracts in progress	1157 _____	157 _____ 0,00	158 _____ 0,00
3. Finished goods and merchandise	1159 _____	159 _____ 0,00	160 _____ 0,00
4. Payments on account	1161 _____	161 _____ 0,00	162 _____ 0,00
II. Debtors	1163 _____ (4)	163 _____ 483.718.034,53	164 _____ 454.410.356,26
1. Trade receivables	1165 _____	165 _____ 0,00	166 _____ 0,00
a) becoming due and payable within one year	1167 _____	167 _____ 0,00	168 _____ 0,00
b) becoming due and payable after more than one year	1169 _____	169 _____ 0,00	170 _____ 0,00
2. Amounts owed by affiliated undertakings	1171 _____	171 _____ 184.969,56	172 _____ 0,00
a) becoming due and payable within one year	1173 _____	173 _____ 184.969,56	174 _____ 0,00
b) becoming due and payable after more than one year	1175 _____	175 _____ 0,00	176 _____ 0,00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____ 0,00	178 _____ 0,00
a) becoming due and payable within one year	1179 _____	179 _____ 0,00	180 _____ 0,00
b) becoming due and payable after more than one year	1181 _____	181 _____ 0,00	182 _____ 0,00

RCSL Nr. : B101255

Matricule : 2004 2411 478

	Reference(s)	Current year	Previous year
4. Other receivables	1183	183 483.533.064,97	184 454.410.356,26
a) becoming due and payable within one year	1185	185 300.576.352,99	186 240.972.773,51
b) becoming due and payable after more than one year	1187	187 182.956.711,98	188 213.437.582,75
III. Transferable securities and other financial instruments	1189	189 0,00	190 0,00
1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by virtue of participating interests	1191	191 0,00	192 0,00
2. Own shares or own corporate units	1193	193 0,00	194 0,00
3. Other transferable securities and other financial instruments	1195	195 0,00	196 0,00
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197	197 418.144,91	198 283.274,76
E. Prepayments	1199	199 23.939.939,31	200 9.756.803,70
TOTAL (ASSETS)		201 8.402.964.500,10	202 1.748.251.036,57

LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 _____	301 <u>2.981.650.033,23</u>	302 <u>1.681.344.069,43</u>
I. Subscribed capital	1303 _____ (5)	303 <u>17.577.620,70</u>	304 <u>21.170.279,93</u>
II. Share premium and similar premiums	1305 _____ (6)	305 <u>801,50</u>	306 <u>134.095.023,39</u>
III. Revaluation reserves	1307 _____	307 <u>395.284,44</u>	308 <u>30.063.648,57</u>
IV. Reserves	1309 _____	309 <u>1.757.762,07</u>	310 <u>2.671.143,30</u>
1. Legal reserve	1311 _____ (7)	311 <u>1.757.762,07</u>	312 <u>2.671.143,30</u>
2. Reserve for own shares or own corporate units	1313 _____	313 <u>0,00</u>	314 <u>0,00</u>
3. Reserves provided for by the articles of association	1315 _____	315 <u>0,00</u>	316 <u>0,00</u>
4. Other reserves	1317 _____	317 <u>0,00</u>	318 <u>0,00</u>
V. Profit or loss brought forward	1319 _____ (8)	319 <u>17.547.726,46</u>	320 <u>1.579.458.555,72</u>
VI. Profit or loss for the financial year	1321 _____ (8)	321 <u>2.944.370.838,06</u>	322 <u>635.472.493,69</u>
VII. Interim dividends	1323 _____ (8)	323 <u>0,00</u>	324 <u>-721.587.075,17</u>
VIII. Capital investment subsidies	1325 _____	325 <u>0,00</u>	326 <u>0,00</u>
IX. Temporarily not taxable capital gains	1327 _____	327 <u>0,00</u>	328 <u>0,00</u>
B. Subordinated debts			
	1329 _____	329 <u>0,00</u>	330 <u>0,00</u>
1. Convertible loans	1413 _____	413 <u>0,00</u>	414 <u>0,00</u>
a) becoming due and payable within one year	1415 _____	415 <u>0,00</u>	416 <u>0,00</u>
b) becoming due and payable after more than one year	1417 _____	417 <u>0,00</u>	418 <u>0,00</u>
2. Non convertible loans	1419 _____	419 <u>0,00</u>	420 <u>0,00</u>
a) becoming due and payable within one year	1421 _____	421 <u>0,00</u>	422 <u>0,00</u>
b) becoming due and payable after more than one year	1423 _____	423 <u>0,00</u>	424 <u>0,00</u>
C. Provisions			
	1331 _____ (9)	331 <u>59.852,86</u>	332 <u>37.546,85</u>
1. Provisions for pensions and similar obligations	1333 _____	333 <u>0,00</u>	334 <u>0,00</u>
2. Provisions for taxation	1335 _____	335 <u>7.045,30</u>	336 <u>10.917,15</u>
3. Other provisions	1337 _____	337 <u>52.807,56</u>	338 <u>26.629,70</u>
D. Non subordinated debts			
	1339 _____ (10)	339 <u>5.421.254.614,01</u>	340 <u>66.869.420,29</u>
1. Debenture loans	1341 _____	341 <u>0,00</u>	342 <u>0,00</u>
a) Convertible loans	1343 _____	343 <u>0,00</u>	344 <u>0,00</u>
i) becoming due and payable within one year	1345 _____	345 <u>0,00</u>	346 <u>0,00</u>
ii) becoming due and payable after more than one year	1347 _____	347 <u>0,00</u>	348 <u>0,00</u>

	Reference(s)	Current year	Previous year
b) Non convertible loans	1349	349 0,00	350 0,00
i) becoming due and payable within one year	1351	351 0,00	352 0,00
ii) becoming due and payable after more than one year	1353	353 0,00	354 0,00
2. Amounts owed to credit institutions	1355	355 0,00	356 0,00
a) becoming due and payable within one year	1357	357 0,00	358 0,00
b) becoming due and payable after more than one year	1359	359 0,00	360 0,00
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361	361 0,00	362 0,00
a) becoming due and payable within one year	1363	363 0,00	364 0,00
b) becoming due and payable after more than one year	1365	365 0,00	366 0,00
4. Trade creditors	1367	367 5.030,56	368 6.174,58
a) becoming due and payable within one year	1369	369 5.030,56	370 6.174,58
b) becoming due and payable after more than one year	1371	371 0,00	372 0,00
5. Bills of exchange payable	1373	373 0,00	374 0,00
a) becoming due and payable within one year	1375	375 0,00	376 0,00
b) becoming due and payable after more than one year	1377	377 0,00	378 0,00
6. Amounts owed to affiliated undertakings	1379	379 0,00	380 0,00
a) becoming due and payable within one year	1381	381 0,00	382 0,00
b) becoming due and payable after more than one year	1383	383 0,00	384 0,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385 0,00	386 0,00
a) becoming due and payable within one year	1387	387 0,00	388 0,00
b) becoming due and payable after more than one year	1389	389 0,00	390 0,00
8. Tax and social security debts	1391	391 339,96	392 0,00
a) Tax debts	1393	393 339,96	394 0,00
b) Social security debts	1395	395 0,00	396 0,00

RCSL Nr. : B101255

Matricule : 2004 2411 478

	Reference(s)	Current year	Previous year
9. Other creditors	1397 _____	397 <u>5.421.249.243,49</u>	398 <u>66.863.245,71</u>
a) becoming due and payable within one year	1399 _____	399 <u>5.410.831.930,59</u>	400 <u>66.835.829,46</u>
b) becoming due and payable after more than one year	1401 _____	401 <u>10.417.312,90</u>	402 <u>27.416,25</u>
E. Deferred income	1403 _____	403 <u>0,00</u>	404 <u>0,00</u>
TOTAL (LIABILITIES)		405 <u>8.402.964.500,10</u>	406 <u>1.748.251.036,57</u>

Registre de Commerce et des Sociétés

Numéro RCS : B101255

Référence de dépôt : L170055939

Déposé le 07/04/2017

RCSL Nr. : B101255

Matricule : 2004 2411 478

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2015 to ⁰² 31/12/2015 (in ⁰³ USD)

Zimmer Luxembourg II S.à r.l.

6, rue Eugène Ruppert
L-2453 Luxembourg

A. CHARGES

	Reference(s)	Current year	Previous year
1. Use of merchandise, raw materials and consumable materials			
1601		601 0,00	602 0,00
2. Other external charges			
1603	(11)	603 260.715,96	604 102.772,50
3. Staff costs			
1605		605 0,00	606 0,00
a) Salaries and wages	1607	607 0,00	608 0,00
b) Social security on salaries and wages	1609	609 0,00	610 0,00
c) Supplementary pension costs	1611	611 0,00	612 0,00
d) Other social costs	1613	613 0,00	614 0,00
4. Value adjustments			
1615		615 0,00	616 0,00
a) on formation expenses and on tangible and intangible fixed assets	1617	617 0,00	618 0,00
b) on current assets	1619	619 0,00	620 0,00
5. Other operating charges			
1621		621 10.966,50	622 0,00
6. Value adjustments and fair value adjustments on financial fixed assets			
1623		623 0,00	624 0,00
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities			
1625	(12)	625 2.482.335.204,13	626 0,00
8. Interest and other financial charges			
1627	(13)	627 84.689.676,56	628 906.534,33
a) concerning affiliated undertakings	1629	629 0,00	630 535,09
b) other interest and similar financial charges	1631	631 84.689.676,56	632 905.999,24

RCSL Nr. : B101255

Matricule : 2004 2411 478

	Reference(s)	Current year	Previous year
9. Share of losses of undertakings accounted for under the equity method			
	1649 _____	649 _____ 0,00	650 _____ 0,00
10. Extraordinary charges			
	1633 _____	633 _____ 0,00	634 _____ 0,00
11. Income tax			
	1635 _____ (14)	635 _____ 3.494,73	636 _____ 3.520,25
12. Other taxes not included in the previous caption			
	1637 _____ (14)	637 _____ 30,35	638 _____ 367,38
13. Profit for the financial year			
	1639 _____	639 _____ 2.944.370.838,06	640 _____ 635.472.493,69
TOTAL CHARGES		641 _____ 5.511.670.926,29	642 _____ 636.485.688,15

RCSL Nr. : B101255

Matricule : 2004 2411 478

B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____ 0,00	702 _____ 0,00
2. Change in inventories of finished goods and of work and contracts in progress	1703 _____	703 _____ 0,00	704 _____ 0,00
3. Fixed assets under development	1705 _____	705 _____ 0,00	706 _____ 0,00
4. Reversal of value adjustments	1707 _____	707 _____ 0,00	708 _____ 0,00
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____ 0,00	710 _____ 0,00
b) on current assets	1711 _____	711 _____ 0,00	712 _____ 0,00
5. Other operating income	1713 _____	713 _____ 0,00	714 _____ 17.684,58
6. Income from financial fixed assets	1715 _____ (15)	715 _____ 5.430.859.817,88	716 _____ 629.929.750,03
a) derived from affiliated undertakings	1717 _____	717 _____ 5.430.859.817,88	718 _____ 629.929.750,03
b) other income from participating interests	1719 _____	719 _____ 0,00	720 _____ 0,00
7. Income from financial current assets	1721 _____	721 _____ 0,00	722 _____ 0,00
a) derived from affiliated undertakings	1723 _____	723 _____ 0,00	724 _____ 0,00
b) other income from financial current assets	1725 _____	725 _____ 0,00	726 _____ 0,00
8. Other interest and other financial income	1727 _____ (16)	727 _____ 80.811.108,41	728 _____ 6.538.253,54
a) derived from affiliated undertakings	1729 _____	729 _____ 0,00	730 _____ 0,00
b) other interest and similar financial income	1731 _____	731 _____ 80.811.108,41	732 _____ 6.538.253,54
9. Share of profits of undertakings accounted for under the equity method	1745 _____	745 _____ 0,00	746 _____ 0,00
10. Extraordinary income	1733 _____	733 _____ 0,00	734 _____ 0,00
13. Loss for the financial year	1735 _____	735 _____ 0,00	736 _____ 0,00
TOTAL INCOME		737 _____ 5.511.670.926,29	738 _____ 636.485.688,15

Registre de Commerce et des Sociétés

Numéro RCS : B101255

Référence de dépôt : L170055939

Déposé le 07/04/2017

Zimmer Luxembourg II S.à r.l.
Private Limited Liability Company
R.C.S. Luxembourg B 101.255

Notes to the annual accounts on December 31, 2015

Note 1 - General Information

Zimmer Luxembourg II S.à r.l. "the Company" was incorporated on June 8, 2004 and organised under the laws of Luxembourg in the form of a Private Limited Liability Company for an unlimited period.

The Company's immediate parent companies are Zimmer Schweiz Holdings GmbH, Winterthur, Switzerland, who owns 99.75% of the Company's shares and Zimmer Biomet LHS-1 S.à r.l., Luxembourg, Grand Duchy of Luxembourg, who owns 0.25% of the Company's shares. The ultimate parent company is Zimmer Biomet Holdings, Inc., Warsaw, Indiana, United States of America.

On April 24, 2014 Zimmer Holdings, Inc. and LVB Acquisitions, Inc. - who owned 100% of the outstanding shares of common stock in Biomet, Inc. - entered into a merger agreement and plan of merger, whereby Zimmer Holdings, Inc. would acquire all shares of common stock in Biomet, Inc. The merger became effective on June 24, 2015 with the surviving company being renamed Zimmer Biomet Holdings Inc.

The Shareholders resolved to change the Company's functional currency, effective as of December 31, 2015 from Euro to US Dollar.

The registered office of Zimmer Luxembourg II S.à r.l. is established at 6, rue Eugène Ruppert, L-2453 Luxembourg.

The Company's financial year starts on January 1 and ends on December 31 of each year.

The company's object is the acquisition and holding of interests in Luxembourg and/or foreign undertakings, as well as the administration, development and management of such holdings.

The Company may in particular act as general partner ("actionnaire commandité") of one or several sociétés en commandite par actions incorporated and governed by the laws of the Grand Duchy of Luxembourg.

The Company may provide any financial assistance to the undertakings forming part of the group of the Company such as, among others, the providing of loans and the granting of guarantees or securities in any kind or form.

The company may also use its funds to invest in real estate, in intellectual property rights or any other movable or immovable assets in any kind or form.

The Company may borrow in any kind or form and issue bonds or notes.

In general fashion the Company may carry out any commercial, industrial or financial operation, which it may deem useful in the accomplishment and development of its purpose.

The company has a branch established in the United States.

Based on the criteria defined by Luxembourg law, the Company is exempted from the obligation to draw up consolidated accounts and a consolidated management report for the year ending December 31, 2015.

Therefore, in accordance with the legal provisions, these annual accounts were presented on a non-consolidated basis to be approved by the shareholder during the Annual General Meeting.

The company is included in the consolidated accounts of Zimmer Biomet Holdings Inc., forming at once the largest and the smallest body of undertakings of which the Company forms part as a indirect subsidiary undertaking. The registered office of that company is located 345 East Main Street, Warsaw, Indiana 46580, USA and the consolidated financial statements are available at that address as well as on the website www.zimmer.com.

Note 2 – Significant accounting policies**2.1 General principles**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002, determined and applied by the Board of Managers.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise their judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following, in accordance with the principles described above:

2.2.1 Formation expenses

Formation expenses are written off on a straight-line method over a period of 5 years.

The capital increase expenses of the Company are directly charged to the profit and loss account of the year in which they are incurred.

Zimmer Luxembourg II S.à r.l.
Private Limited Liability Company
R.C.S. Luxembourg B 101.255

Notes to the annual accounts on December 31, 2015

Note 2 – Significant accounting policies (continued)

2.2.2 Financial assets

Valuation at purchase price

Shares in affiliated undertakings and shares in undertakings with which the company is linked by virtue of participating interests are valued at nominal value including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Managers, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.3 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.4 Cash at bank and in hand

Cash is valued at its nominal value.

2.2.5 Foreign currency translation

The accounts are expressed in USD.

Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Formation expenses and long-term assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historic exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realized exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised loss is recorded in the profit and loss account and the net unrealised gains are not recognised.

2.2.6 Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

2.2.7 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provision for taxation

Current tax provision

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Provisions". The advance payments are shown in the assets of the balance sheet under the "Other receivables" item.

2.2.8 Non subordinated debts

Non subordinated debts are valued at their reimbursement value.

Where the amount repayable on account is greater than the amount received, the difference is shown in the profit and loss account when the debt is issued.

Zimmer Luxembourg II S.à r.l.
Private Limited Liability Company
R.C.S. Luxembourg B 101.255

Notes to the annual accounts on December 31, 2015

Note 3 - Financial Assets

3.1 Shares in affiliated undertakings

The movements of the year are as follows:

	Net book value - opening balance	Additions for the year	Disposals for the year	Transfers for the year	Net book value - closing balance
	US Dollars	US Dollars	US Dollars	US Dollars	US Dollars
ZB Hong Kong Ltd		290.20			290.20
Zimmer Europe Holdings B.V.		6,849,898,314.36			6,849,898,314.36
Zimmer Biomet C.V.		1,028,599,879.20			1,028,599,879.20
ZB Holdings LLC		10,389,897.77			10,389,897.77
Zimmer Biomet CBT		5,999,999.82			5,999,999.82
TOTAL	-	7,894,888,381.35	-	-	7,894,888,381.35

Undertakings in which the Company holds at least 20% in their share capital or in which it is a general partner are the following:

Name of undertakings (legal form)	Registered office	Owner- ship %	Last balance sheet date	Net equity at the balance sheet date of the company concerned	Profit or loss of the last financial year
ZB Hong Kong Ltd		100%	31/12/2015	US Dollars	Not available
Zimmer Europe Holdings B.V.		100%	31/12/2015	US Dollars	Not available
Zimmer Biomet C.V.		100%	31/12/2015	US Dollars	Not available
ZB Holdings LLC		100%	31/12/2015	US Dollars	Not available
Zimmer Biomet CBT		100%	31/12/2015	US Dollars	Not available

Zimmer Luxembourg II S.à r.l.
Private Limited Liability Company
R.C.S. Luxembourg B 101.255

Notes to the annual accounts on December 31, 2015

Note 4 - Debtors

Debtors are mainly composed by :

	Within one year	After more than five years	Total 2015	Total 2014
	USD	USD	USD	USD
2. Amounts owed by affiliated undertakings				
CA receivable Zimmer Europe Holdings BV	81,911.28		81,911.28	
CA receivable ZB Hong Kong Ltd	103,058.28		103,058.28	
4. Other receivables				
IC loan Biomet Acquisitions (unlimited)	102,542,084.00		102,542,084.00	
IC loan Zimmer Schweiz Holdings GmbH - (236b)	77,755,586.00		77,755,586.00	69,532,078.28
IC loan Zimmer Schweiz Holdings GmbH - (40)	119,758,164.00		119,758,164.00	107,092,421.37
IC loan Zimmer Netherlands Cooperatief U.A. (236a)				53,383,784.85
Interests on IC loan Zimmer Netherlands Cooperatief U.A. (236a)				6,182,757.24
Interests on IC loan Zimmer Netherlands Holdings B.V.	433.00		433.00	487.59
IC Trade - Co. 611	513,018.00		513,018.00	4,770,666.99
Advances for taxes	7,068.00		7,068.00	10,577.19
IC loan Zimmer Schweiz Holdings GmbH - (108)		91,633,798.00	91,633,798.00	81,527,396.49
IC loan Zimmer Schweiz Holdings GmbH - (117)		51,275,592.00	51,275,592.00	51,275,592.35
IC loan Zimmer Schweiz Holdings GmbH - (80)		40,000,000.00	40,000,000.00	79,587,271.58
IC loan Zimmer Netherlands Holdings B.V.		47,322.00	47,322.00	47,322.32
Total	300,761,322.56	182,956,712.00	483,718,034.56	454,410,356.25

Note 5 - Subscribed capital

* On November 25, 2015, the Company redeemed 821 Class B preferred shares with a fair market value of EUR 93,699,049.67 from Zimmer Biomet LHS-1 S.à r.l. In exchange for the shares of Biomet Hong Kong Holding Ltd. The redemption value was allocated to the debit of the share capital account for EUR 82,100.-, share premium account for EUR 3,065,043.83, legal reserve account for EUR 20,875.55, profit brought forward account for EUR 33,793,662.97 and profit & Loss account for EUR 56,737,367.32.

** On November 25, 2015, the Company redeemed 21,462 Class B preferred shares with a fair market value of EUR 2,449,414,145.26 from Zimmer Biomet LHS-1 S.à r.l. In exchange for the ZB CBT Assets & Liabilities. The redemption value was allocated to the debit of the share capital account for EUR 2,146,200.-, share premium account for EUR 80,124,203.03, legal reserve account for EUR 545,713.93 profit brought forward account for EUR 883,409,981.22 and profit & Loss account for EUR 1,483,188,047.09.

*** On November 26, 2015, the Company redeemed 9,238 Class B preferred shares with a fair market value of EUR 1,054,376,874.41 from Zimmer Biomet LHS-1 S.à r.l. In exchange for a note payable for the same amount. The redemption value was allocated to the debit of the share capital account for EUR 923,800.-, share premium account for EUR 34,488,276.37, legal reserve account for EUR 234,894.48, profit brought forward account for EUR 380,250,741.15 and profit & Loss account for EUR 638,479,162.41.

**** On November 27, 2015, the Company redeemed 1,232 Class B preferred shares with a fair market value of EUR 140,622,399.25 from Zimmer Biomet LHS-1 S.à r.l. In exchange for a note payable for the same amount. The redemption value was allocated to the debit of the share capital account for EUR 123,200.-, share premium account for EUR 4,599,432.40, legal reserve account for EUR 31,326.04, profit brought forward account for EUR 50,711,075.24 and profit & Loss account for EUR 85,157,365.57.

The Shareholders resolved to change the Company's functional currency, effective as of December 31, 2015, from Euro to US Dollar and accordingly to redenominate the Company's share capital from its Euro-denominated amount of EUR 16,029,200.- to USD 17,577,620.70 using the exchange rate provided by WMReuters of December 23, 2015, being EUR 1 = USD 1.09665. An amount of USD 801.50 is allocated to the share premium account of the Company.

Further to the above resolution, the Shareholders resolved to restate the nominal value of the shares of the Company, so that henceforth the share capital of the Company amounts to USD 17,577,620.70 represented by 41,943 ordinary shares, 117,962 Class A Preferred shares and 387 Class B Preferred shares with a nominal value of USD 109.66 each.

Note 6 - Share premium and similar premiums

The movements on the "Share premium and similar premiums" item during the year are as follows:

	Share premium EUR	Share premium USD	2015 USD
Share premium and similar premiums - opening balance	122,276,955.63	-	122,276,955.63
Movements on 25.11.2015 (refer to note 5 *)	(3,065,043.83)		(3,065,043.83)
Movements on 25.11.2015 (refer to note 5 **)	(80,124,203.03)		(80,124,203.03)
Movements on 26.11.2015 (refer to note 5 ***)	(34,488,276.37)		(34,488,276.37)
Movements on 27.11.2015 (refer to note 5 ****)	(4,599,432.40)		(4,599,432.40)
Movements on 31.12.2015 (refer to note 5)		801.50	801.50
Share premium and similar premiums - closing balance	-	801.5	801.50

Zimmer Luxembourg II S.à r.l.
Private Limited Liability Company
R.C.S. Luxembourg B 101.255

Notes to the annual accounts on December 31, 2015

Note 7 - Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Note 8 - Movements for the year on the reserves and profit/loss items

The movements for the year are as follows:

	Legal reserve	Reserves for own shares and own corporate units	Reserves provided for by the Articles of Associa- tion	Revaluation reserves	Profit or loss brought forward	Profit or loss for the financial year	Interim dividends	Total
	USD	USD	USD	USD	USD	USD	USD	USD
As at December 31, 2014	2,671,143.38	-	-	30,063,640.57	1,579,458,555.72	635,472,493.69	-	2,247,665,841.28
Movements for the year								
- Allocation of prior year's profit or loss	-	-	-	-	635,472,493.69	(635,472,493.69)	-	-
- Profit or loss of the year	-	-	-	-	-	2,944,370,838.06	-	2,944,370,838.06
- Other movements (*)	(913,381.13)	-	-	(29,668,364.13)	(2,197,383,322.95)	-	-	(2,227,965,068.21)
As at December 31, 2015	1,757,762.17	-	-	395,284.44	17,547,726.46	2,944,370,838.06	-	2,964,071,611.13

The allocation of retained earnings was approved by the General Shareholders' Meeting of November 18, 2015.

(*) See note 5

Note 9 - Provisions

Provisions are made up as follows:

	Total	2015	Total
		USD	2014
			USD
2. Provisions for taxation		7,045.33	10,917.15
3. Other provisions		52,807.56	26,629.70
Total		59,852.89	37,546.85

Zimmer Luxembourg II S.à r.l.
Private Limited Liability Company
R.C.S. Luxembourg B 101.255

Notes to the annual accounts on December 31, 2015

Note 10 - Non subordinated debts

Amounts due and payable for the accounts shown under "Non-subordinated debts" are as follows:

	Within one year	After one year and within five years	After more than five years	Total 2015	Total 2014
	USD	USD	USD	USD	USD
4. Trade creditors				5,030.56	6,174.58
Trade creditors	5,030.56	-	-	5,030.56	6,174.58
8. Tax and social security debts				339.96	-
a) Tax debts	339.96	-	-	339.96	-
9. Other creditors				5,421,249,243.49	66,863,245.71
Interests on IC loan Zimmer Europe Holdings AG	180.95	-	-	180.95	281.37
Interests on IC loan ZB Holdings LLC	74,467.90	-	-	74,467.90	-
IC loan Zimmer Europe Holdings AG	-	27,416.25	-	27,416.25	27,416.25
IC loan ZB Holdings LLC	-	10,389,896.65	-	10,389,896.65	-
IC loan Zimmer Netherlands Cooperatief U.A.	435,785,220.00	-	-	435,785,220.00	-
IC loan PI	63,167,373.12	-	-	63,167,373.12	-
IC loan ZB Investment Luxembourg S.à r.l., Winterthur Branch	465,000,000.00	-	-	465,000,000.00	-
IC loan ZB LHS, LLC	1,275,064,225.00	-	-	1,275,064,225.00	-
IC loan Zimmer Inc.	75,220.71	-	-	75,220.71	22,553.31
IC loan Zimmer Switzerland Holdings LLC	74,698,607.21	-	-	74,698,607.21	66,798,408.30
IC loan Zimmer Cayman Islands Holding Co. Ltd	8,818,517.00	-	-	8,818,517.00	-
IC loan Zimmer Holdings Inc.	2,768,186,337.69	-	-	2,768,186,337.69	-
IC loan Zimmer Manufacturing BV	319,021,449.00	-	-	319,021,449.00	-
Interest on IC loan ZB Investment Luxembourg S.à r.l., Winterthur B	316,593.96	-	-	316,593.96	-
Interest on IC loan ZB LHS MMC	622,739.20	-	-	622,739.20	-
IC payable JDE	998.85	-	-	998.85	14,586.49
Total	5,410,837,301.11	10,417,312.90	-	5,421,254,614.01	66,869,420.29

Note 11 - Other external charges

Other external charges are mainly composed of accounting, management and administration fees; service fee; notary fees; tax advisory fees; bank charges.

Note 12 - Value adjustments and fair value adjustments on financial current assets.
Loss on disposal of transferable securities.

In November, the Company redeemed 32,753 of its own Class B preference shares with a nominal value of EUR 100.- each for a total fair market value of EUR 3,721,736,022.34 of which EUR 2,263,561,942.40 or USD 2,482,335,204.13 was allocated to the profit & loss account.

Note 13 - Interest and other financial charges

Interest and other financial charges are mainly composed of interest amounts paid on revolver loan and foreign exchange losses on currency conversion.

Note 14 - Current taxes

Current taxes are presented as follow:

	2015 USD
Corporate Income tax	3,494.73
Net wealth tax	30.35
Total	3,525.08

Note 15 - Income from financial fixed assets

Income from financial fixed assets is composed of a gain on the acquisition of ZB Investment Luxembourg S.à r.l. by a contribution at the fair market value of Zimmer Investment Luxembourg S.à r.l. on October 28, 2015.

Zimmer Luxembourg II S.à r.l.
Private Limited Liability Company
R.C.S. Luxembourg B 101.255

Notes to the annual accounts on December 31, 2015

Note 16 – Other Interest and other financial income

Other Interest and other financial income are mainly composed of interest amounts received from Intercompany loans.

Note 17 – Subsequent events

LOANS PAYABLE:

a) During the year 2016, the Company has received the following loans from related group entities:

12.07.2016	ZB LHS LLC	IC Short term loan	USD 1,125,020,125.-
12.07.2016	ZB LHS LLC	IC Short term loan	USD 150,044,100.-
12.07.2016	ZB Investment Luxembourg S.à r.l., Winterthur	IC Short term loan	USD 465,000,000.-
12.07.2016	ZB Investment Luxembourg S.à r.l., Winterthur	IC Short term loan	USD 400,000,000.-
27.06.2016	ZB Investment Luxembourg S.à r.l., Winterthur	IC Short term loan	USD 325,000,000.-
22.09.2016	ZB Investment Luxembourg S.à r.l., Winterthur	IC Short term loan	USD 75,200,000.-
29.09.2016	ZB Investment Luxembourg S.à r.l., Winterthur	IC Short term loan	USD 350,000,000.-
09.12.2016	ZB Investment Luxembourg S.à r.l., Winterthur	IC Short term loan	USD 85,600,000.-
27.12.2016	ZB Investment Luxembourg S.à r.l., Winterthur	IC Short term loan	USD 70,000,000.-
12.07.2016	ZB Investment Luxembourg S.à r.l., Winterthur	IC Short term loan	USD 50,000,000.-
12.07.2016	Zimmer Biomet Holdings Inc.	IC Short term loan	USD 3,682,458,975.00
10.08.2016	ZB Investment Luxembourg S.à r.l.	IC Short term loan	USD 63,560,700.55
15.07.2016	ZB Investment Luxembourg S.à r.l.	IC Short term loan	USD 106,924,800.96
30.12.2016	Zimmer Biomet IPCH	IC Short term loan	EUR 9,248,205.66
12.07.2016	Zimmer Cayman Islands Holdings Co. Ltd	IC Short term loan	USD 161,630,679.-
12.07.2016	Zimmer Cayman Islands Holdings Co. Ltd	IC Short term loan	USD 166,209,287.-
12.07.2016	Zimmer Cayman Islands Holdings Co. Ltd	IC Short term loan	USD 435,785,220.-

b) Effective October 18, 2016, the Company entered into a loan clean-up transaction, re-allocating notes receivable from its US Branch to the Head Office and subsequently making repayments for an aggregate amount of USD 240,906,323.67, principal and accrued interest as of the Effective date.

INVESTMENTS:

July 12, 2016: Contribution Agreement with Zimmer Switzerland Holdings LLC.

Contribution to the Company by Zimmer Switzerland Holdings LLC of 100% of the Issued and outstanding shares in Zimmer Biomet Spain S.L.U. for a FMV of USD 16,185,000.- as additional paid-in capital to the Share Premium Account (Account 115 of the Luxembourg Standard Chart of Accounts)...subsequently transferred to Zimmer Europe Holdings B.V.L913.

REPARTITION DES RESULTATS

bénéfice au 31 décembre 2015	USD	2.944.370.838,06
bénéfice reporté	USD	17.547.726,46
report à nouveau	USD	2.961.918.564,52

CONSEIL DE GERANCE

Madame Ruth VON WYL, administrateur de sociétés, demeurant professionnellement à L-2453 Luxembourg, 6, rue Eugène Ruppert, gérante.

Monsieur François-Xavier GOOSSENS, administrateur de sociétés, demeurant professionnellement à L-2453 Luxembourg, 6, rue Eugène Ruppert, gérant.

Monsieur Jitender SAHNI, administrateur de sociétés, demeurant professionnellement à CH-8404 Suisse, Winterthur, Sulzerallee, 8, gérant.